

**MMA Testimony  
HB 4333 (Chatfield) and HB 4334 (Glenn)  
House Tax Policy Committee  
4/15/15**

Thank you, Mr. Chairman and committee members; I am Mike Johnston, VP of Government Affairs for the Michigan Manufacturers Association. I am here today to express our opposition to HB 4333 and HB 4334.

I was here in February talking about MEGA, so I won't repeat all of the many facts I shared with you that day regarding the success of MEGA in beating the nation in attracting manufacturing growth in Michigan. However, here are three of the primary facts.

- According to the Center for Automotive Research between 2010 and July 2014, automakers and suppliers invested \$16.3 billion in Michigan.
- Over the last five years, the big three automakers alone have increased employment by about 37,000 people. For perspective that is like adding another auto company.
- According to the Center for Automotive Research, collectively, the auto companies directly employ about 124,500 people in Michigan, while the supplier base adds another 202,000 people, plus expenditure induced jobs of 244,000, total jobs amount to 570,000.<sup>1</sup> You can see the importance of attracting the auto companies, because the supplier base tends to follow, with many other related jobs.

The success in attracting these jobs and investment is primarily the result of MEGA incentives. The underlying principle of MEGA is that the incentives are offered to companies that are being incentivized to make their investments somewhere else. Starting in about 2009, it was clear here was going to be significant growth in the automotive industry. The primary question was about where that investment was going to occur. Michigan won the national battle for new investment.

Now looking forward, the question is where will future manufacturing investments be made?

We believe these bills will create new barriers to success for Michigan's ability to attract large capital investment and jobs. They effectively announce to the world that Michigan is unilaterally disarming in the battle for new manufacturing jobs and investment. The 49 other states with economic development programs, will be very excited to hear the news.

We oppose these bills, and would encourage this committee not move these bills forward.

Thank you, Mr. Chairman for the opportunity to speak today.

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<sup>1</sup> Center for Automotive Research, Contribution of the Automotive Industry to the Economies of the United States, January 2015